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S&MM
SALES & MARKETING MANAGEMENT

JANUARY 16, 1984
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FIVE DOLLARS

Special Citations: ☐ Stanley C. Gault, Rubbermaid ☐ Ronald J. Gilchrist, American Motors ☐ Robert Shapiro, G.D. Searle

S&MM's Annual Awards Issue

Hot Products of 1983: Cabbage Patch Kids • Calvin Klein underwear • Stickers • Telephones • Videocassette recorders • Lotus 1-2-3 • Convertible cars

Outstanding Achievement Awards: **Consumer Products:** Commodore International • Maytag • Noxell • Shaw Industries • Van de Kamp's Frozen Foods **Industrial Products:** Intergraph • Kaypro • Masonite **Retailing:** Home Depot • Nordstrom • Popeyes Famous Fried Chicken **Distribution:** Noland • Softsel Computer Products **Services:** American Airlines • Ryder Truck Rental • ServiceMaster Industries

Company Turnarounds: Johnson & Johnson • Sears, Roebuck • Winnebago Industries

Business Executives' Dining Awards: The top 100 restaurants in the U.S. and Canada, as selected by S&MM readers in our annual poll.

AN S&MM SPECIAL SECTION: ***AV Equipment***

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Ninth Annual Awards Issue

SPECIAL CITATIONS
Awards for
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in these categories:
Consumer Products
Industrial Products
Retailing
Distribution
Services
&
New this year:
Company Turnarounds

Plus
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An S&MM Special Section: Trade Shows. S&MM reports on the latest show-planning ideas and techniques being used at shows. Included are case histories and a statistical profile of the industry. Feb. 6.

Personal computers. The first in a new S&MM series on why today's marketer must have his own PC—and why he need not fear it. Feb. 6.

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For this issue only

Because of the space devoted to our Annual Awards, our Short Takes, S&MM Barometer, Corporate Travel department, S&MM Predicts, Marketing Newsletter, and Industrial Newsletter, which usually precede our feature articles, are not included in this issue. Also, we are omitting the following departments, which usually follow our features: Compensation, Computer in Sales & Marketing, Cooperative Advertising, Customer Service, International Newsletter, Jaundiced Eye, Marketing Research, Meetings, On the Road, Sales Force Management, and Significant Trends. Awards, Et Cetera is substituted for Marketers, Et Cetera.

S&MM's Special AV Section

When the objective is more sales, AV is the tool that can reinforce subtle points or dazzle their prospects with sound, photography, graphics, and often cartoons.

Marketers choose their weapons

By STEVEN MINTZ
Associate Editor

A sales and marketing executive seeking ways to get more sales by using audiovisual (AV) equipment in presentations is likely to find the number of options disconcerting. The best AV format for a particular company isn't easy to determine. It depends to a large extent on the company's size, the type of product, and anticipated sales. But a marketer cannot overlook such factors as the transportation his sales force uses, or even the personalities of his salespeople. Still, there are general guidelines, some of which are brought out in S&MM's latest AV survey (see accompanying tables).

To begin to find a more precise answer to the question of what kind of AV presentation is best, S&MM interviewed a cross-section of executives who responded to the survey, and asked them how they incorporate AV in their sales and marketing programs. Regardless of whether they were new to AV or familiar with it from long experience, they shared at least one important point-of-view: In selling situations, AV gives them a critical edge.

National Revenue's Frank McCormick

'Salespeople feel AV puts them in a much better position to close.'

When sales presentations are made to large groups, AV is an effective way to keep the message strong and the salesperson alert to audience response. That's one reason why National Revenue's 700 salespeople carry slide/audio projection units to help sell financial service packages to companies that extend credit at the wholesale and retail levels.

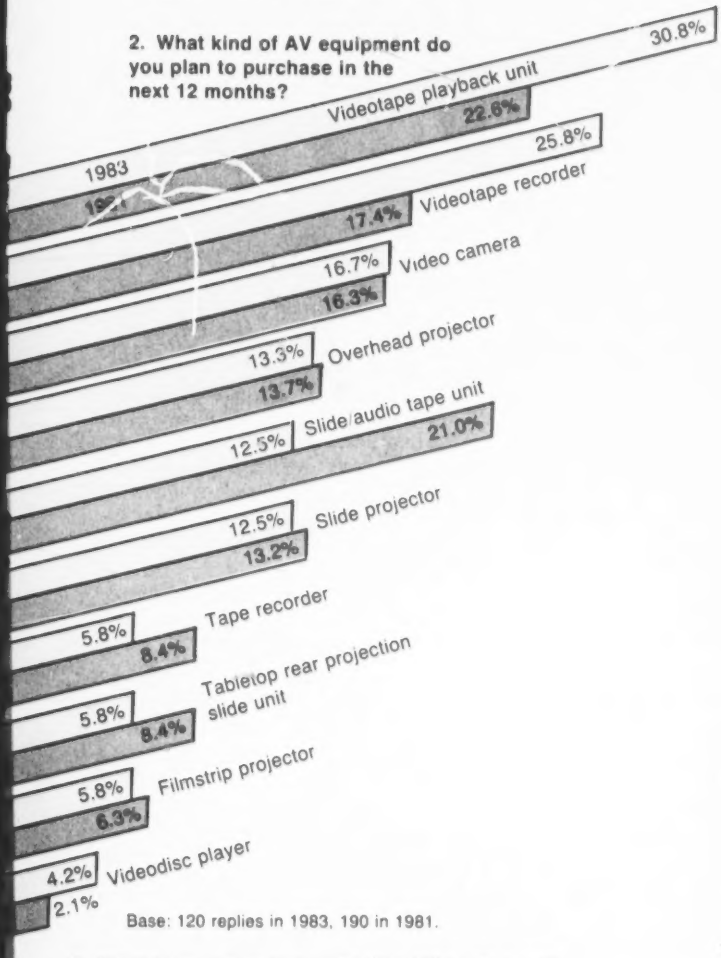
"Salespeople feel AV puts them in a much better position to close," McCormick, marketing vice president, insists. "They can sit back and make note of the audience response, then go back later and reinforce certain points." Also as a result of AV, presentations to larger groups don't require additional sales personnel. For instance, only one salesperson was needed for a recent presentation to 12 general partners of a large accounting concern. "Without AV, a sale to that large a group would have been more difficult," McCormick says. He claims that the sale, if unassisted by AV, would have required two more salespeople or two more presentations to reach the partners four at a time. But the 13-minute AV segment, aimed at selling a cash flow management system for slow-paying accounts, conveyed the right mes-

1. Do you or your salespeople use AV support in sales activities?

1981		1983	
Yes	77.2%	Yes	77.8%
No	22.8%	No	22.2%

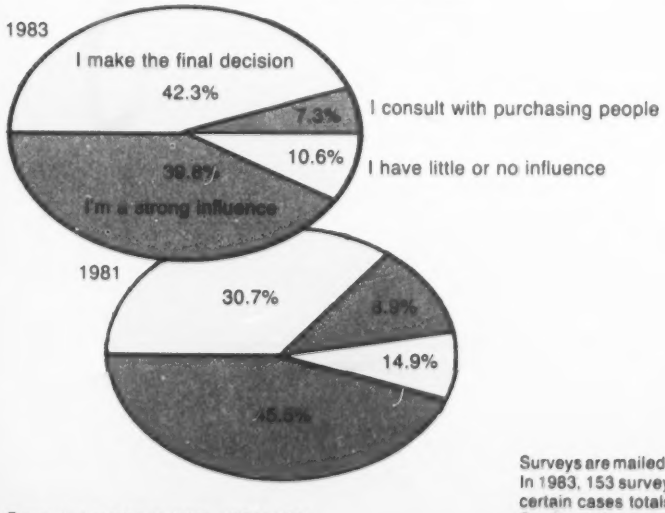
Base: 153 replies in 1983, 246 in 1981.

2. What kind of AV equipment do you plan to purchase in the next 12 months?



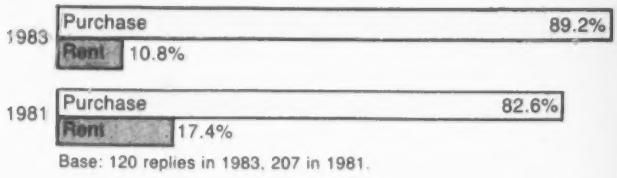
Base: 120 replies in 1983, 190 in 1981.

3. What is your role in purchasing AV equipment?



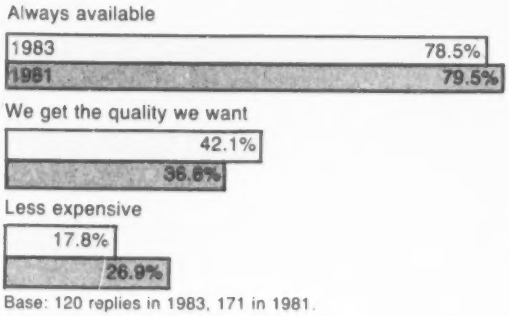
Base: 114 replies in 1983, 190 in 1981.

4. Do you primarily rent or purchase your AV equipment?



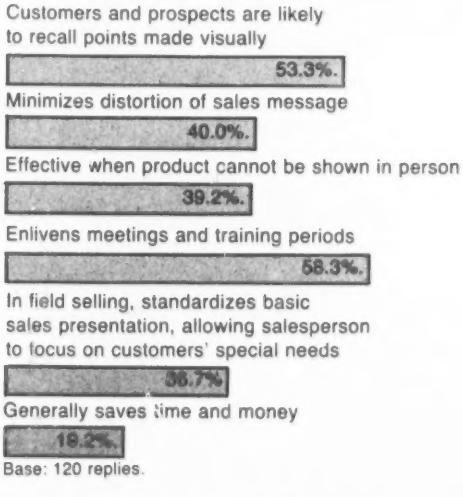
Base: 120 replies in 1983, 207 in 1981.

5. Why do you primarily purchase AV equipment?



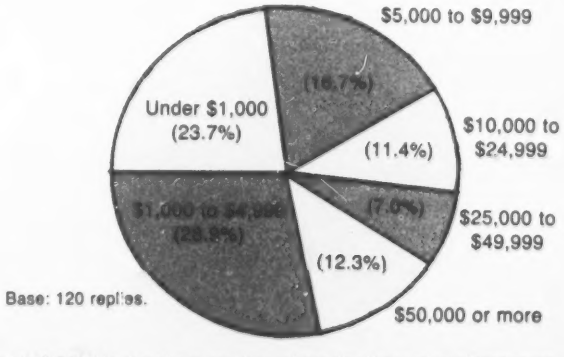
Base: 120 replies in 1983, 171 in 1981.

6. Why do you use AV support?


Customers and prospects are likely to recall points made visually
53.3%
Minimizes distortion of sales message
40.0%
Effective when product cannot be shown in person
39.2%
Enlivens meetings and training periods
58.3%
In field selling, standardizes basic sales presentation, allowing salesperson to focus on customers' special needs
36.7%
Generally saves time and money
19.2%

Base: 120 replies.

7. How large is your 1984 AV budget?



Base: 120 replies.

Surveys are mailed to 1,000 S&MM subscribers; results are based on the number of responses. In 1983, 153 surveys were received by the cutoff date. In 1981, 246 surveys were received. In certain cases totals exceed 100% because respondents gave multiple answers.
Source: 1983 and 1981 S&MM AV Surveys.

sage simultaneously to all 12 partners. By incorporating such things as charts, photographs, and a voiceover narration, it showed, McCormick says, "the concrete and mortar behind the presentation."

Presentations in Columbus, OH, where National Revenue is headquartered, are opportunities for more customizing than is usual. Sometimes an opening slide will show a dual logo to add "a nice, personalizing touch," McCormick says.

American Saw & Manufacturing's Don Rooke

'AV has caused increases in sales that are hard to calculate.'

When American Saw & Manufacturing drew up its plan for the introduction last year of a new Mercury band saw blade, an AV sales presentation was a critical part of it. During the five-minute videotape, two actors take the roles of shopworkers. One complains to his boss about a problem that he is unable to solve; the other reports to his boss how a Mercury blade has solved that same problem.

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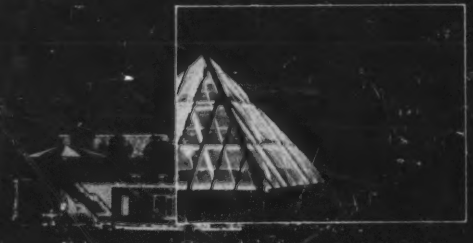
CANADA

AV sales presentations like this are standard operating procedure at American Saw, and its sales vice president, Rooke, has no doubts about their value. "In selling, AV has done wonders for us," he says. "It has caused increases in sales that are hard to calculate." To those who are concerned that the cost of AV

presentations is too high, Rooke claims, "It's worth every damned cent we've spent on it."

Actually, American Saw, East Longmeadow, MA, has created 30 videotapes, including some in Spanish, over the past five years. To show the films, each of 15 three-person sales teams is

EDMONTON



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2	20,000	15	2,400	65 •
2 additional by 1985				• Served from Toronto (YYZ)

Contact Neil Williamson [illegible]

HAMILTON

'We're at the point where we want the world to feel our presence. AV is part of that.'

for AV. Now we're at the point where we want the world to feel our presence. AV is part of that."

The Carlstadt, NJ, subsidiary of Japanese Iwatsu Electric started using AV in 1983 because its 160 independent authorized dealers in

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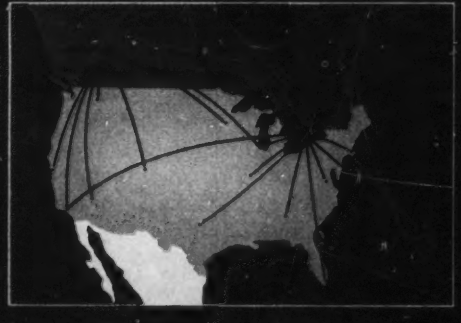
equipped with a 7-in. desktop video playback unit. Usually, presentations introduce new saw blades to a distributor's sales force or, less frequently, directly to an end-user. Often a distributor's salesperson will want a customer to see the tape. If so, Rooke ordinarily sends one of his salespeople along too. A major reason why Rooke is persuaded that video is the best AV medium is flexibility that permits tailored presentations. American Saw has its own production facility, and most sales presentations are developed there at relatively low cost in a short period of time. Sometimes, though, the ability to film elsewhere is beneficial in promoting a relationship with customers. Using portable video cameras, American Saw can make a film in the customer's shop of an employee using a particular piece of equipment. If the employee leaves that job, his successor can learn exactly how to operate that same piece of equipment just by watching.

Iwatsu's Dan Mahoney

In general, AV is new to Iwatsu of America, says Mahoney, marketing services manager. "Heretofore this company never saw the need

CANADA



Canada

the U.S. wanted end-user training on the telephone communications systems that Iwatsu sells to small- and medium-sized companies. It is essential that prospects know the training is available before they will place their orders. "There is always a fear factor in a business that is changing phone systems," Mahoney says, "AV helps to relieve it. If I go out on a demonstration and show a sample of what we use for training, the anxiety starts to dissipate."

Specifically, Iwatsu uses a slide show together with synchronized audio presentation to show its new Omega IV digital telephone system that it introduced last July. Through the use of cartoons, caricatures, and photographs, Iwatsu portrays some 130 features of the Omega IV system. One feature, for instance, is a voice synthesizer that permits, for internal office use, any of seven messages when the phone is unattended. The presentation can be a straight 10-minute selling piece or a 35-minute show that allows five or six pauses for hands-on sessions.

Thus far, the slide/audio format gives Iwatsu dealers and Iwatsu's own 13-person direct sales and marketing team ample flexibility, portability, and visibility. What's more, in terms of cost effectiveness, Mahoney says that less than $20,000 in AV costs "is not outrageous for millions in sales." Nevertheless, Mahoney expects that video versions will be in use shortly. In fact, all end-user oriented programs were developed in such a way that art and photography are transferable into a video format without loss.

Arrow Automotive's Marshall Gralnick

'The first thing a customer judges a supplier by is what he sees.'

When Arrow Automotive Industries recently acquired 8mm desktop film projectors for its sales force to use in sales presentations and training clinics, it built on long experience with AV. In fact, the Framingham, MA, company uses AV extensively to sell auto parts to automotive aftermarket retailers, wholesalers, and warehouse distributors.

Arrow relies on a two-part presentation using slides with dissolve capability plus an audio

narration. The first part is a 20-minute corporate overview, the second is a 12-minute sequence of a salesman calling on a prospect and spelling out the Arrow philosophy, says sales and marketing vice president Gralnick. That philosophy emphasizes quality of product, delivery, order fill, and how Arrow goes to market. Those points are more colorful, interesting, clearer, and memorable with audiovisual assistance.

AV is not merely a sidelight, but an "integral part" of sales presentations, Gralnick insists. The reason: "The first thing a customer judges a supplier by is what he sees." In that case, making sure what he sees portrays the supplier in the most favorable light is critical, and it's a job that an AV presentation can do easily.

The recent move into 8mm—with sound track—is aimed at going beyond corporate philosophy and into describing product lines. The first 20-minute film is devoted to clutches. Shown on a desktop projector, the presentation is ideal for as many as 20 to 30 people. In front of groups this large, in fact, use of the 8mm presentation counteracts "a little stage fright" that Gralnick says salespeople accustomed to smaller numbers tend to develop. A second film, now being made, will combine five products and last 40 minutes. When brevity is essential, however, parts of these films can be used with no loss of impact.

Bendix Transportation Management's Michael Tillander

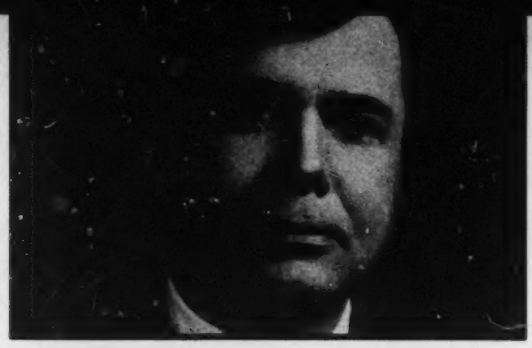
When salespeople for Bendix Transportation Management turn to AV, they mean business. "We go for blow 'em away presentations," says

S&MM's Special AV Section

'We go for blow 'em away presentations.'

Tillander, sales and marketing vice president. Slides help them portray in a dramatic fashion the complex financial and logistical factors that crop up in today's newly deregulated trucking environment. Presentations are aimed at customers who regularly ship goods using their own fleets or 300 tractors and trailers that belong to the Detroit-based subsidiary of Allied Corp. A typical presentation lasts from 30 minutes to an hour, and systematically guides both salesperson and audience through such thorny issues as changes resulting from the Motor Carrier Act of 1980. "In most presentations, people without structure usually get off on tangents," Tillander says. By contrast, he notes that AV enforces a structure and keeps the salesperson out of traps. Certain slides provide lead-ins for extemporaneous comments. One slide suggests a $12 million opportunity; the next asks, "Can it be done?" Another slide introduces a plan for a task team and is followed by one that asks, "How do you do it?" This approach also stimulates dialogue, which is encouraged at all times, Tillander says, even in the course of the slide presentation.

The combination of verbal and visual impact tends to "crystallize attention," Tillander says. Cartoons, graphics, and charts all underscore selling points. One cartoon sequence illustrates how customer persuasion has changed under deregulation by showing the way it used to be: a supplier with his arm around a customer, offering him football tickets. Another slide shows the tangled telephone lines that result from poor communications, the kind that Bendix can rectify. Still more slides examine ramifications of such topics as recent tariff changes. The format, Tillander says, "provides a lot of information plus humor."



Professional Medical Products' Doug Livernois

'What turned us on was portability.'

Professional Medical Products is in its second year of using video presentations to aid in the selling of disposable medical products to hospitals and nursing homes. "What turned us on was portability," Livernois, sales and marketing vice president, says of the compact video playback units that first attracted the Greenwood, SC, company to AV. These days, 50 salespeople carry video programs on 12 product lines plus either the compact display units or, to allow greater visibility, modules that let them show the programs on full-sized TV sets. Livernois has discovered the following advantages:

- ♦ AV ensures that all prospects get the same message.
- ♦ AV allows salespeople more time to sell. In an industry where customer personnel turnover is often as high as 20% a month, salespeople are usually charged with training. Video programs train as effectively and are available on the 24-hour schedule that hospitals and nursing homes follow. Not only do salespeople have more time to see customers as a result, but from a personal standpoint, Livernois says, the freedom improves their morale.
- ♦ Prospects are more apt to allocate time to an AV presentation, whereas they tend to permit interruptions during live presentations.
- ♦ AV can go where salespeople cannot. Because many purchase decisions are made by standardization committees that ordinarily bar salespeople from hearings, AV provides an effective sales presence. In that situation, Livernois says, AV "has probably increased our success rate threefold."
- ♦ Video memos disseminate new-product information quickly and effectively.

The subject of one new tape is Ultigard, an adult incontinent brief that was introduced last year. The entire presentation, which deals broadly with causes and problems associated with adult incontinence, consists of two 20-minute segments. Because that is long for a sales call, the tapes are designed to give the salesperson options, Livernois says. Any 10-minute section can be used as a straight sales piece.